

John Boehner  
Chairman  
8th District, Ohio

*House Meets at 9:00 a.m. for Legislative Business*

*Anticipated Floor Action:*

**H.R. 3989—User Fee Act**

**H.Con.Res. 284—FY 1999 Budget Resolution**

**Considering Senate Amendments to H.R. 2709 (Iran Missile Proliferation  
Sanctions Act)**



**H.R. 3989—User Fee Act**

**Floor Summary:** The House will consider H.R. 3989 as its first order of business today. Yesterday, the House agreed to a unanimous consent request to provide one hour of debate on the bill, equally divided between the chairman of the Rules Committee and the minority leader or his designee. The agreement allows no amendments but provides one motion to recommit, with or without instructions.

**Summary:** H.R. 3989 expresses the sense of Congress that a total of 77 different user fee and tax increases included in President Clinton's FY 1999 budget should be enacted as soon as possible. Specifically, the measure advocates the enactment of 36 different user fees, including increases in national park entrance fees and Social Security claimant representative fees, in addition to 41 tax increases, including modifying tax rules for corporate-owned life insurance, reinstating Superfund corporate environmental income and excise taxes, and changing rules for estate and gift taxes. The measure calls for the enactment of a total of \$58 billion in user fee and tax increases out of \$129 billion proposed in the president's budget. The authors of the bill argue that members who truly support the president's budget should throw their support behind not only his \$150 billion in spending increases, but also his revenue generating proposals. A CBO cost estimate was unavailable at press time. The measure was introduced by Mr. Solomon on June 3.

**Views:** The Republican leadership opposes passage of the measure. An official Clinton Administration view was unavailable at press time.



## H.Con.Res. 284—FY 1999 Budget Resolution

**Floor Situation:** The House will continue considering H.Con.Res. 284 after it completes consideration of H.R. 3989. Yesterday, the House completed general debate and will now begin considering the two substitute budgets made in order under the modified closed rule. Each substitute is debatable for one hour. The rule waives all points of order against the resolution and substitute amendments. It stipulates that adoption of any of the substitutes will conclude consideration of H.Con.Res. 284 for amendment. It allows the chairman of the Committee of the Whole to postpone votes during consideration and reduce the voting time on a postponed question to five-minutes, so long as it follows a regular fifteen minute vote. Finally, the rule states that House rules regarding the establishment of the statutory limit on the public debt do not apply to the adoption of the FY 1999 budget resolution.

**Summary:** H.Con.Res. 284 builds on the framework established by the passage of the 1997 Balanced Budget Act, which has balanced the federal budget and expects to yield a surplus this year, four years ahead of schedule. The resolution projects surpluses of \$52.7 billion in FY 1998, \$33.9 billion in FY 1999, \$21.3 billion in FY 2000, \$28.1 billion in FY 2001, \$76.6 billion in FY 2002, and \$63.3 billion in FY 2003. It forecasts \$1.76 trillion in revenues in FY 1999, climbing to \$1.97 trillion by FY 2003. For total budget outlays, the measure recommends \$1.72 trillion in FY 1999.

More specifically, the resolution calls for:

- \* increasing spending on national defense to \$270.5 billion in BA and \$265.5 billion in outlays in FY 1999;
- \* increasing spending for Medicare to \$209.6 billion in BA and \$210.1 billion in outlays in FY 1999;
- \* decreasing spending on international affairs to \$14.2 billion in BA and \$13.8 billion in outlays in FY 1999;
- \* decreasing spending on energy-related activities of the federal government to \$600 million in BA and \$300 million in outlays in FY 1999;
- \* decreasing spending for transportation-related spending to \$44.3 billion in BA and \$42.1 billion in outlays in FY 1999;
- \* increasing education spending to \$61.4 billion in BA and \$60.2 billion in outlays in FY 1999; and
- \* providing a total of \$394.7 billion in BA and \$394.9 billion in outlays for Social Security in FY 1999. The goal of the committee is to ultimately balance the budget without relying on the practice of borrowing from Social Security.

The resolution was introduced by Mr. Kasich and was reported by the Budget Committee by a vote of 22-16.

**FY 1999 Budget Resolution Substitutes -- Total Spending by Function**  
(in billions of dollars)

Budget Function	Budget Authority Outlays	H.Con.Res. 284	Neumann Subst.	Spratt Subst.
National Defense	BA	\$270.5	\$278.1	\$270.5
	O	\$265.5	\$273.0	\$265.5
International Affairs	BA	\$14.2	\$13.5	\$14.6
	O	\$13.8	\$13.1	\$14.2
Science, Space, & Tech.	BA	\$17.9	\$16.9	\$18.2
	O	\$17.8	\$16.8	\$17.9
Energy	BA	\$0.6	\$-1.4	\$0.6
	O	\$0.3	\$-0.7	\$0.2
Nat. Resources/Environment	BA	\$22.6	\$19.8	\$23.2
	O	\$22.8	\$20.0	\$23.3
Agriculture	BA	\$12.2	\$11.2	\$12.3
	O	\$10.5	\$9.6	\$10.6
Commerce & Housing Credit	BA	\$4.4	\$3.9	\$4.1
	O	\$2.8	\$2.5	\$3.0
Transportation	BA	\$44.3	\$45.7	\$51.1
	O	\$42.1	\$43.4	\$42.5
Community & Regional Dev.	BA	\$8.7	\$8.7	\$8.6
	O	\$10.6	\$10.6	\$10.9
Education, Training, Employment & Social Services	BA	\$61.4	\$60.0	\$63.9
	O	\$60.2	\$58.8	\$61.1
Health and Medicaid	BA	\$143.8	\$139.2	\$145.7
	O	\$142.3	\$137.7	\$143.6
Medicare	BA	\$209.6	\$209.6	\$209.8
	O	\$210.1	\$210.1	\$210.4
Income Security	BA	\$243.8	\$236.7	\$246.0
	O	\$247.6	\$240.4	\$247.7
Social Security*	BA	\$394.7	\$394.7	\$394.7
	O	\$394.9	\$394.9	\$394.9
Veterans Benefits & Services	BA	\$42.4	\$42.4	\$43.1
	O	\$42.9	\$42.9	\$43.6
Administration of Justice	BA	\$25.0	\$24.8	\$25.4
	O	\$24.0	\$23.8	\$24.6
General Government	BA	\$14.8	\$14.4	\$14.1
	O	\$14.2	\$13.8	\$13.4
Net Interest	BA	\$244.0	\$244.0	\$296.7
	O	\$244.0	\$244.0	\$296.7
Allowances	BA	\$-0.5	\$-3.7	\$-2.6
	O	\$-0.5	\$-3.7	\$-0.6
Undistrib. Offsetting Receipts	BA	\$-44.0	\$-44.0	\$-37.7
	O	\$-44.0	\$-44.0	\$-37.7
Total Spending*	BA	\$1,730.4	\$1,714.5	\$1,802.3
	O	\$1,721.9	\$1,707.0	\$1,785.8
Revenues*		\$1,755.8	\$1,742.2	\$1,759.4
Surplus		\$33.9	\$35.2	(\$26.4)

Source: House Budget Committee

\*NOTE: Neither the Neumann nor Spratt substitutes include projected Social Security revenues or trust fund outlays in their budget figures. However, they have been included here for purposes of comparison.

**Views:** The Republican leadership supports passage of the bill. An official Clinton Administration viewpoint was unavailable at press time.

**Amendments:** As stated above, the rule makes in order two substitute amendments, each debatable in the order listed below. Each substitute amendment is debatable for one hour.

— *Neumann Substitute* —

**Mr. Neumann, Mr. McIntosh, and Mr. Johnson (TX)** will offer an amendment in the nature of a substitute designed to limit the growth of government spending to slightly less than the rate of inflation, preserve and protect Social Security, and empower Congress to cut wasteful spending and return money to the taxpayers by designating 50 percent of any additional revenues collected by the federal government toward tax relief and the other 50 percent towards paying off the national debt. The substitute also increases defense spending over current levels by \$56 billion over five years to keep pace with the rate of inflation. Funding priorities for FY 1999 are detailed in the accompanying chart.

**Social Security.** The substitute expresses the sense of Congress that the Social Security Trust Fund should be protected and preserved by acquiring real assets for the trust fund by purchasing negotiable, instead of non-negotiable, Treasury bonds and guaranteeing their value at redemption. The substitute calls for repaying money the government has borrowed from the trust fund and creates a Social Security “lock box” to dedicate cuts made during the consideration of appropriations bills to the trust fund.

**Tax Relief.** The substitute expresses the sense of Congress that the government should limit spending to slightly less than the rate of inflation. This allows for \$150 billion in tax relief which includes eliminating the marriage tax penalty, expanding the 15 percent income tax bracket, restoring the 12-month holding period on capital gains, and eliminating the “death tax.”

**Budget Surplus.** The substitute expresses the sense of Congress that the pay-as-you-go budget rule should be changed to allow Congress to cut including discretionary spending to pay for tax cuts. It states that 50 percent of any surplus should be used to provide tax relief and the other 50 percent should be applied to paying off the \$5.5 trillion federal debt, prioritizing shoring up the Social Security trust fund. It calls for tax reductions to expand education individual retirement accounts, index capital gains to the rate of inflation, allow 100 percent deductibility for health insurance premiums for employees and self-employed individuals, eliminate the Social Security earnings limit, repeal the 1993 tax increase on Social Security benefits, repeal the alternative minimum tax for individuals and corporations, and permanently extend the research and development tax credit.

**Education.** The substitute expresses the sense of Congress that (1) 95 percent of federal education dollars should be spent in the classroom; (2) the Goals 2000 program should be terminated and the funds given to states and local school districts; (3) Congress should enact legislation to prevent the development of a national testing program; and (4) the Department of Education should limit its role in educational functions to those which state and local school officials cannot perform. The substitute also advocates creating a federal pilot program to provide low-income children in the District of Columbia with scholarships to attend public, private, religious, or home schools of their parents’ choice.

**Partial-Birth Abortions.** The substitute expresses the sense of Congress that partial-birth abortions should be banned unless the procedure is needed to save the life of the mother. It states that taxpayer money should not be used to subsidize abortions or organizations that promote or perform abortions. The substitute requires organizations or businesses that receive federal funding to obtain parental consent before providing contraceptives to minors. The substitute states that taxpayers should not have to support international family planning programs. If Congress does not stop supporting international family planning programs, then the measure calls for providing funding only to organizations that certify they do not perform, or lobby for the legalization of, abortions in other countries. It also states that taxpayers should not be forced to support the United Nations Population Fund if it conducts activities in the People's Republic of China, which persists in coercing its people to obtain abortions and undergo involuntary sterilization.

**Miscellaneous.** The substitute expresses the sense of Congress that (1) the use of federal funding to create human embryos for research or conduct research on cloning humans should be prohibited; (2) future legislation should recognize the importance of the traditional family; (3) funding for the National Endowment of the Arts should be eliminated; (4) aid to Israel should not be reduced; and (5) other countries should be encouraged to protect religious freedom and allow their countries to practice any faith they choose without retribution. *Staff Contact: Jennifer Larkin, x5-3927*

— *Spratt Substitute* —

**Mr. Spratt** will offer an amendment in the nature of a substitute that calls for (1) funding the president's initiatives such as providing tax credits for child day care, enacting a "patient's bill of rights," and providing assistance to finance school modernization; (2) reserving all budget surpluses until Congress and the president agree on legislation to guarantee the long run solvency of Social Security; and (3) funding transportation levels at the funding level of the Transportation Equity Act for the 21<sup>st</sup> Century (H.R. 2400). Major funding priorities for FY 1999 are detailed in the accompanying chart.

The substitute includes reconciliation instructions to the authorizing committees to report changes in law necessary to achieve the direct spending, revenue, and deficit reduction targets in the Spratt substitute. Specifically, the substitute instructs that, within 30 days of enactment:

- \* the Committee on Agriculture must report changes to decrease direct spending by \$40 million over the next five years;
- \* the Committee on Banking and Financial Services must report changes to decrease direct spending by \$1.1 billion over the next five years;
- \* the Committee on Commerce must report changes to decrease direct spending by \$2.8 billion over the next five years;
- \* the Committee on Education and the Workforce must report changes to decrease direct spending by \$3.4 billion over the next five years;
- \* the Committee on Resources must report changes to decrease direct spending by \$381 million over the next five years; and

- \* the Committee on Ways and Means must report changes to decrease direct spending by \$892 million over the next five years.

**Social Security.** The substitute expresses the sense of Congress that budget surpluses should be reserved until Congress and the president enact comprehensive measures to guarantee the long-term solvency of Social Security. It states that any budget surpluses should be paid into an account which will be invested in Treasury securities and interest earnings will be credited to the account.

**Potential Tobacco Legislation.** The substitute allocates budget authority and outlays to any committee with jurisdiction for legislation that increases funding to promote smoking prevention and cessation, curb cigarette smoking among teenagers, make payments to the states to reduce the costs incurred of treating smoking-related illnesses, provide support to tobacco farmers, make payments to other claimants against tobacco companies, and/or fund federal medical research. The substitute intends for any tobacco proceeds not used for the above spending increases to be deposited in the Federal Hospital Insurance Trust Fund (Medicare Part A Trust Fund).

**Miscellaneous.** The substitute expresses the sense of Congress that the Ways and Means Committee should include the Assets for Independence Act when carrying out its reconciliation instructions (the Assets for Independence Act, H.R. 2849, establishes demonstration projects designed to determine the social, civic, psychological, and economic effects of providing individuals and families with limited means to accumulate assets and achieve economic self sufficiency). It states that the appropriate committees of jurisdiction should consider legislation to establish a three-year demonstration project to provide Medicare coverage for beneficiaries' participating in clinical cancer trials. The substitute also advocates that the relevant committees should consider legislation to revise the interim payment system for home health service in order to reduce home health care costs and provide time for home health care agencies to adjust to lower rates and reimbursements.

Finally, the substitute expresses the sense of Congress that committees of jurisdiction should accommodate high priority tax relief of \$30 billion over the next five years to fully offset revenues lost by closing or restricting unwarranted tax benefits. Specifically, it states that tax relief should (1) accommodate the revenue effects of improving rights for medical patients and providers in managed care health plans; (2) expand tax credits to alleviate the costs of child care; (3) reduce financing costs for primary and secondary public school modernization; (4) extend tax benefits that expire soon such as the Work Opportunity and Research and Experimentation credits; and (5) mitigate tax code marriage penalties. **Contact: Budget Committee (Minority), x6-7200**

**Additional Information:** See *Legislative Digest*, Vol. XXVII, #14, May 29, 1998.



## **H.R. 2709—Iran Missile Proliferation Sanctions Act (Considering Senate Amendments)**

**Floor Summary:** The House will consider Senate amendments to H.R. 2709 after it completes consideration of H.Con.Res. 284. Yesterday, the Rules Committee granted a rule allowing the



chairman of the International Relations Committee to make a motion to concur in the Senate amendments. The rule provides one hour of general debate on the motion.

**Summary:** H.R. 2709 requires the president to submit a report to Congress, within 30 days of enactment, identifying entities about whom there is credible information that they transferred missile goods or technology to Iran after January 22, 1998. Sanctions against entities involved in the attempt or transfer of missile technology to Iran include denying arms export licenses and eliminating all U.S. assistance for two years. The bill allows the president to waive sanctions for reasons of national security. The president must submit follow-on reports after six months and one year, and then submit reports annually. The bill also expresses the sense of Congress that the president should exercise existing authorities and available funds to prevent the transfer of weapons-related material and delivery systems to Iran through the purchase, barter, or other acquisition of such material and delivery systems. Finally, the bill includes the provisions of S. 610, the Chemical Weapons Convention Implementation Act of 1997.

When the Senate considered the measure on May 22, 1998, it amended the House-passed measure by modifying the effective date in two instances for sanctionable activities from August 8, 1995, to January 22, 1998. January 22, 1998, is the date that the government of Russia issued a new decree restricting exports of missile technology.

Supporters of the bill believe that imposing new sanctions is essential to prevent Iranian arms proliferation and assert that the sanctions already in place have proven insufficient in meeting this objective. CBO estimates that enactment will cost the federal government less than \$500,000 annually, assuming appropriation of the necessary funds. H.R. 2709 was introduced by Mr. Gilman on October 23, 1997, and passed the House by voice vote on November 12, 1997. The Senate passed the bill, as amended, by a vote of 90-4 on May 22, 1998.

**Views:** The Republican leadership supports passage of the measure. An official Clinton Administration view was unavailable at press time.




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Please attach the text of the amendment (if available) and fax to the *Legislative Digest* at x5-7298

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8th District, Ohio

Member Sponsoring Amendment: \_\_\_\_\_ Bill #: \_\_\_\_\_

Additional Co-sponsors (if any): \_\_\_\_\_

Staff Contact: \_\_\_\_\_ Phone #: \_\_\_\_\_ Evening Phone #: \_\_\_\_\_

Description of the amendment: \_\_\_\_\_

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(Please include any additional or contextual information)

Reason for offering amendment (e.g., How will this change the bill or current law? Why should members support this change?): \_\_\_\_\_

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